
Development Construction Taxes

Handout No. 4-3
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The San Jose Municipal Code contains specific information regarding the imposition and regulation of all construction taxes. Construction taxes are excise taxes that have been imposed by the City Council to fund specific City operations as set forth in Chapter 4 of the San Jose Municipal Code. For a copy of the Municipal Code sections relating to construction taxes, contact the City Clerk's office.

. Construction taxes are collected by the Permit Center at the time of permit issuance.

Currently there are five different construction taxes - Brief descriptions are as follows:

1. **Building & Structure Construction Tax (B&S)** -
This tax applies to residential, commercial and industrial projects.
The tax is based on the valuation of the project as assessed by Building Division Policy.
For residential projects the fees are 1.54% of the building valuation.
For commercial projects the fees are 1.5% of the building valuation.
For industrial projects the fees are 1% of the building valuation.
2. **Commercial-Residential-Mobilehome Park Building Tax (CRMP)** -
This tax applies to residential and commercial uses and mobile home parks.
The tax is based on the valuation of the project as assessed by Building Division Policy.
For residential projects the fees are 2.42% of the building valuation.
For commercial projects the fees are 3% of the building valuation.
3. **Construction Tax** -
This tax applies to residential, commercial and industrial projects.
The fees are based on the number of new dwelling units or new floor area.
For residential projects the fee ranges from \$75.00 to \$150.00 per unit, based on the type of project.
For commercial & industrial projects the fees are based on \$.08/sq. ft. for all new floor area.
4. **Residential Construction Tax** -
This tax applies to residential projects only.
The fees are based on the number of new units.
The fee ranges from \$90.00 to \$180.00 per unit, based on the type of project.
5. **Strong Motion Instrumentation Program Assessment (SMIPA)** -
This fee is imposed by the State of California to fund the study of earthquakes.
This tax applies to residential and commercial projects.
The fees are based on the valuation of the project.
For residential projects the fees are .0001% of the building valuation.
For commercial projects the fees are .00021% of the building valuation.

Additional information can be obtained by visiting our website at www.sanjoseca.gov/building/ or by calling our Information Inspector's voice mail at (408) 535-3555 and leaving a detailed message. In addition you may visit the Building Division in City Hall at 200 East Santa Clara St. Our hours are 9:00 a.m. to 4:00 p.m. with limited service between 12:00 p.m. and 1:00 p.m.